

# **Naestved Storcenter ApS**

Holbergsgade 14, 2. tv.  
1057 København K

CVR no. 39 04 04 68

## **Annual report for 2022**

Adopted at the annual general meeting  
on 24 March 2023

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Ole Meier Sørensen  
chairman

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## **Statement by management on the annual report**

The Executive board has today discussed and approved the annual report of Naestved Storcenter ApS for the financial year 1 January - 31 December 2022.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 23 March 2023

### **Executive board**

Ole Meier Sørensen  
Director

Thorsten Krausud Slytå  
Director

Mathias Seidenfaden Busck  
Director

Charlotte Sydow Bech Jensen  
Director

# **Independent auditor's report**

## **To the shareholder of Naestved Storcenter ApS**

### **Opinion**

We have audited the financial statements of Naestved Storcenter ApS for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Management's responsibilities for the financial statements**

Management is responsible for the preparation of financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **Independent auditor's report**

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **Independent auditor's report**

### **Statement on management's review**

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Hellerup, 23 March 2023  
CVR no. 33 77 12 31

Maj-Britt Nørskov Nannestad  
State Authorised Public Accountant  
MNE no. mne32198

Jacob Dannefer  
State Authorised Public Accountant  
MNE no. mne47886

## **Company details**

Naestved Storcenter ApS  
Holbergsgade 14, 2. tv.  
1057 København K

CVR-no. 39 04 04 68

Financial year: 1 January - 31 December 2022

Domicile: Copenhagen

### **Executive Board**

Ole Meier Sørensen  
Thorsten Kraisud Slytå  
Mathias Seidenfaden Busck  
Charlotte Sydow Bech Jensen

### **Auditors**

PRICEWATERHOUSECOOPERS  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
2900 Hellerup

## **Management's review**

### **Business review**

The purpose of the Company is to own shares in Danish or foreign Companies.

The Company's purpose is also to invest in and develop real estate, as well as to carry out property management and all activities that, in the opinion of the Executive Board, are related to this.

### **Recognition and measurement uncertainties**

Investment properties are measured at fair value in the annual report and the value adjustments are disclosed in the Income Statement. The measurement was made on the basis of the budget for the coming year, which is capitalized with management's estimate of return requirements including input from Commercial Valuer. The return requirement is based on socio-economic and individual quality conditions on the properties. The estimate of fair value on investment properties is based on management's discretion.

The valuation decrease of DKK 139.000.000 (or ~11.8% ) in 2022 is primarily attributable to significant yield shifts in the period.

### **Unusual matters**

The company's financial position at 31 December 2022 and the results of its operations for the financial year ended 31 December 2022 are not affected by any unusual matters.

### **Financial review**

The company's income statement for the year ended 31 December 2022 shows a loss of DKK 84.844.405, and the balance sheet at 31 December 2022 shows equity of DKK 495.923.247.

The company's profit before value adjustment and its economic development are as expected and is considered satisfactory.

Expectations for the future of the Næstved Storcenter, which are influenced by the development of turnover in the centre remains positive.

Næstved Storcenter is both locally and regionally anchored with a relatively large proportion of convenience stores as well as many tenants in the healthcare and clothing sector, which is expected to provide a stable development. As in the previous year, Næstved Storcenter is almost fully leased, except for ordinary replacements and movements.

### **Significant events occurring after the end of the financial year**

Please refer to note 1 for further details.



## **Accounting policies**

The annual report of Naestved Storcenter ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B and the Accounting Standard on small enterprises, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2022 is presented in DKK

### **Basis of recognition and measurement**

Income is recognized in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognized in the income statement.

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/minus the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

## **Income statement**

### **Gross profit**

The items revenue and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Gross profit reflects an aggregation of revenue, other operating income less other external expenses.

### **Revenue**

Revenue comprise rental income and the tenant's contribution to overhead costs and is recognized in the Income Statement.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

## **Accounting policies**

### **Other external costs**

Other external costs include expenses related to administration and property costs. Property costs include costs incurred to operate the company's properties in the financial year, including repair and maintenance costs, property tax and electricity, water and heating, which are not charged directly from the tenant.

### **Financial income and expenses**

Financial income and expenses are recognised in the Income Statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to amortisation of loans etc.

### **Tax on profit for the year**

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

## **Balance sheet**

### **Investment properties**

Investment properties comprises investments in land and buildings for purposes of gaining a return on the invested capital in the form of regular operating income and/or capital gains on resale.

On initial recognition, investment properties are measured at cost consisting of the acquisition price of the properties plus any directly related acquisition costs.

After initial recognition, the properties are measured at fair value, which represents the amount at which the individual property may be sold to an independent buyer. The investment property has been valued based on an external estate agent's valuation using the discounted cash flow approach. Fair value adjustments for the financial year are recognised in the Income Statement.

The fair value reflects the price for which the property should exchange on the balance sheet date between well-informed and willing parties in an arm's length transaction. The determination of fair value involves significant accounting estimates.

In management's assessment, the fair value for the current year could not be determined based on market information. Accordingly, values have been determined based on discounted cash flow models.

The fair value of each individual investment property at 31 December 2022 has been determined using a return-based valuation model. Calculations are based on the budget for the coming year, adjusted for any fluctuations characterised as non-recurring events. These normal earnings are capitalised based on an individually determined return rate. The resulting value is adjusted for any non-operating assets, such as cash and cash equivalents and deposits, provided these are not separately disclosed elsewhere in the balance sheet, to arrive at the fair value.

## **Accounting policies**

The fair value of investment property at 31 December 2022 is assessed by independent real estate appraisers.

The estimates used are based on information and assumptions which management considers reasonable, but which are, inherently, uncertain and unpredictable. Actual events and circumstances are likely to be different from those assumed in the calculations, since anticipated events frequently do not occur as expected. These variations may be material.

### **Receivables**

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

### **Prepayments**

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

### **Cash and cash equivalents**

Cash comprise cash at bank.

### **Income tax and deferred tax**

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

### **Liabilities**

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the outstanding debt. For bond loans, amortised cost corresponds to an outstanding debt calculated as the underlying cash value of the loan at the time of borrowing, adjusted by amortisation of the value adjustment of the loan at the time of borrowing.

Other liabilities, which include trade payables and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

### **Deferred income**

Deferred income comprises prepaid rent for recognition in subsequent financial years. Deferred income is measured at cost.

## **Accounting policies**

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

## Income statement 1 January - 31 December

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
<b>Gross profit</b>		<b>49.683.893</b>	<b>51.524.308</b>
Fair value adjustments of investment properties		<u>-149.551.948</u>	<u>5.116.713</u>
<b>Profit/loss before net financials</b>		<b>-99.868.055</b>	<b>56.641.021</b>
Financial costs		<u>-9.748.920</u>	<u>-7.456.707</u>
<b>Profit/loss before tax</b>		<b>-109.616.975</b>	<b>49.184.314</b>
Tax on profit for the year	2	<u>24.772.570</u>	<u>-12.966.097</u>
<b>Profit/loss for the year</b>		<b><u>-84.844.405</u></b>	<b><u>36.218.217</u></b>
 <b>Recommended appropriation of profit/loss</b>			
Retained earnings		<u>-84.844.405</u>	<u>36.218.217</u>
		<b><u>-84.844.405</u></b>	<b><u>36.218.217</u></b>

## Balance sheet 31 December

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
<b>Assets</b>			
Investment properties	3	<u>1.037.000.000</u>	<u>1.176.000.000</u>
<b>Tangible assets</b>		<b><u>1.037.000.000</u></b>	<b><u>1.176.000.000</u></b>
<b>Total non-current assets</b>		<b><u>1.037.000.000</u></b>	<b><u>1.176.000.000</u></b>
Trade receivables		581.062	277.343
Other receivables	4	331.436	34.386.697
Prepayments		<u>896.357</u>	<u>756.846</u>
<b>Receivables</b>		<b><u>1.808.855</u></b>	<b><u>35.420.886</u></b>
<b>Cash at bank</b>		<b><u>22.543.885</u></b>	<b><u>2.880.079</u></b>
<b>Total current assets</b>		<b><u>24.352.740</u></b>	<b><u>38.300.965</u></b>
<b>Total assets</b>		<b><u><u>1.061.352.740</u></u></b>	<b><u><u>1.214.300.965</u></u></b>

## Balance sheet 31 December

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
<b>Equity and liabilities</b>			
Share capital		60.000	60.000
Retained earnings		<u>495.863.247</u>	<u>580.707.652</u>
<b>Equity</b>		<b><u>495.923.247</u></b>	<b><u>580.767.652</u></b>
Provision for deferred tax		<u>41.797.486</u>	<u>65.550.987</u>
<b>Total provisions</b>		<b><u>41.797.486</u></b>	<b><u>65.550.987</u></b>
Mortgage loans		499.280.733	538.387.084
Deposits		<u>10.712.296</u>	<u>10.743.648</u>
<b>Total non-current liabilities</b>	5	<b><u>509.993.029</u></b>	<b><u>549.130.732</u></b>
Short-term part of long-term debet	5	4.822.058	13.354.500
Trade payables		7.601.842	3.489.492
Payables to Group Enterprises		196.784	206.831
Corporation tax		1.001.922	1.379.020
Other payables		<u>16.372</u>	<u>421.751</u>
<b>Total current liabilities</b>		<b><u>13.638.978</u></b>	<b><u>18.851.594</u></b>
<b>Total liabilities</b>		<b><u>523.632.007</u></b>	<b><u>567.982.326</u></b>
<b>Total equity and liabilities</b>		<b><u>1.061.352.740</u></b>	<b><u>1.214.300.965</u></b>
Significant events occurring in and after the end of the financial year	1		
Staff costs	6		
Mortgages and collateral	7		
Related parties and ownership structure	8		

## Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2022	60.000	580.707.652	580.767.652
Net profit/loss for the year	0	-84.844.405	-84.844.405
<b>Equity at 31 December 2022</b>	<b><u>60.000</u></b>	<b><u>495.863.247</u></b>	<b><u>495.923.247</u></b>



## Notes

### 1 Significant events occurring in and after the end of the financial year

The impact of the coronavirus outbreak was profound across all aspects of society. In developed economies, it is clear that the worst of the impact is now over. However, there is an expectation that seasonal peaks and new variants could give rise to renewed travel restrictions, enhanced health screenings at ports of entry and elsewhere, disruption of and delays in healthcare service preparation and delivery and supply chain disruptions which will create ongoing challenges. Widescale and comprehensive vaccination programmes have been put in place in many countries which have had a positive effect. Nevertheless, the impact of COVID-19 continues to adversely affect the economies of many nations across the globe and this in turn may continue to impact investments held by each Fund.

The rent collection remained resilient throughout 2022 in spite of a challenging macroeconomic environment. Apart from the above mentioned, no events have occurred in and after the balance sheet date which could significantly affect the company's financial position.

	<u>2022</u>	<u>2021</u>
	DKK	DKK
<b>2 Tax on profit for the year</b>		
Current tax for the year	1.001.922	2.819.020
Deferred tax for the year	-23.753.502	10.132.678
Adjustment of tax concerning previous years	-2.020.990	14.399
	<u><b>-24.772.570</b></u>	<u><b>12.966.097</b></u>

### 3 Assets measured at fair value

	<u>Investment pro- perties</u>
Cost at 1 January 2022	1.032.076.936
Additions for the year	10.551.948
Cost at 31 December 2022	<u>1.042.628.884</u>
Revaluations at 1 January 2022	143.923.064
Revaluations for the year	-149.551.948
Revaluations at 31 December 2022	<u>-5.628.884</u>
<b>Carrying amount at 31 December 2022</b>	<u><b>1.037.000.000</b></u>

## Notes

### 3 Assets measured at fair value (continued)

#### **Disclosure of the assumptions underlying fair value calculations of assets and liabilities**

The investment property is located in the area of Næstved. On initial recognition, investment properties are measured at cost consisting of the acquisition price of the properties plus any directly related acquisition costs. After initial recognition, the properties are measured at fair value, which represents the amount at which the individual property may be sold to an independent buyer. The investment property has been valued based on a Commercial Valuer's valuation using the discounted cash flow approach. Fair value adjustments for the financial year are recognised in the Income Statement.

Analysis period applied is 10-year discounted cash flow assuming a theoretical sale of the property in year 11. 10 years' cash flow has been considered to reflect the most common asset holding period / stabilization period by the investors. Management's estimate of return requirements including input from commercial valuer, has set the cap rate of return at 6,23%.

The key discount rate for the budget period and the terminal value for 2022 is set to 8,23% and comprises of the equivalent yield of 6,23% plus 2% indexation. Risk adjustment is made based on location risk, economical/market risk and property risk. Net initial yield used for the calculation is at 6,11%.

Passing rental growth and market rental growth of 2,00% per annum have been applied based on expected increase in NPI with an indexation of 2,00% per annum on the applied costs. The operating expenses of the property - including maintenance costs that often have an aperiodic structure - have been determined using an on-average basis. The return set for the year has been capitalised by the required rate of return defined.

Based on this, the investment property has been recognised at DKK 1.037.000.000.

The valuation of the property is based on estimates and relies on a number of uncertain factors, including expected developments in the property market and the attractiveness of the property. Management believes, that the Commercial Valuer's valuation is the best measure of the value of the property at 31 December 2022.

## Notes

### 3 Assets measured at fair value (continued)

#### Sensitivity in determination of fair value of investment properties

A sensitivity in the range of 0,50%-0,50% of the rate of return has been applied in the market value assessment at 31 December 2022. The cap rate of return is determined at 6,23%.

Changes in estimated required rate of return for investment properties will affect the value of investment properties recognised in the balance sheet as well as value adjustments carried in the income statement.

Changes in average required rate of return	-0,50%	Base	0,50 %
	DKK	DKK	DKK
Rate of return	5,73	6,23	6,73
Fair value	1.124.876.728	1.037.000.000	961.729.708
Change in fair value	87.876.728	0	-75.270.292

### 4 Other receivables

	2022	2021
	DKK	DKK
Receivable from Tax Office Account	0	33.840.141
Other receivables	331.436	546.556
	<b>331.436</b>	<b>34.386.697</b>

The Company had a deposit of DKK 33.840.141 in the Company's tax account with the Danish Tax Authorities at year end 2021.

## Notes

### 5 Long term debt

	Debt at 1 January 2022	Debt at 31 December 2022	Instalment next year	Debt outstanding after 5 years
Mortgage loans	551.741.584	504.102.791	4.822.058	482.316.077
Deposits	10.743.648	10.712.296	0	0
	<b>562.485.232</b>	<b>514.815.087</b>	<b>4.822.058</b>	<b>482.316.077</b>

The Junior Facility was repaid in full in December 2021.

### 6 Staff costs

The company has no employees.

### 7 Mortgages and collateral

Investment properties at a carrying amount of DKK 1.037.000.000 at 31 December 2022 have been pledged as security for mortgage loans totalling DKK 504.102.791.

### 8 Related parties and ownership structure

According to the company's register of shareholders, the company is owned 100% by

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35a, avenue J.F. Kennedy  
L-1855 Luxembourg